



Special Technical Report.

18th Feb, 2026

Varun Beverages Ltd – Cmp : 458.10
Sector: – Other Beverages
Buying Range : ₹455 – ₹450 | Stoploss: ₹ 425 | Target: ₹ 520.
Time horizon = 6-8 Months.



Company Overview

VBL is one of the largest franchise bottlers of PepsiCo globally and the largest in India, manufacturing and distributing carbonated soft drinks (CSD), juices, and packaged water under the PepsiCo portfolio. **Strong 3/5-year revenue CAGR of 18%/27%, favourable D/E, and strong return ratios. Management expects double-digit India growth for CY26 if the weather normalises. Business Strengths: Long-term bottling agreement with PepsiCo, Strengthen market position, Robust distribution network (30+ owned depots, 2,500+ owned vehicles, 2,500+ primary distributors, and currently installed 10.2 crs + visi-coolers), Net debt-free with free cash ₹12,250 mn. VBL has expanded the capacity of the non-carbonated drink portfolio at two greenfield plants at Supa, Maharashtra and Gorakhpur, UP in CY24.**

Growth Drivers

1. CY26 is positioned as an operating leverage year: new India capacities and backward integration are expected to contribute fairly well. The greenfield plants and backward integration facilities commissioned in CY25 are progressively stabilising and are expected to support higher volumes and operating leverage in the upcoming season. **2. Expansion in Africa will help VBL counter the seasonality of sales and diversify its revenue streams.** **3. Two new growth adjacencies are being incubated:** (1) Snacks with stated aspiration toward ~\$100m, and (2) Alcohol (Carlsberg) via an Africa greenfield brewery targeted by end-next-year. **4. Shift beyond traditional CSDs into energy drinks, value-added juices, and smaller, premium packs** helped to improve portfolio mix and premium products improve realisation per case and gross margins. **Key Risks:** High competitive intensity, Geopolitical Risk (the company's international operations are concentrated in regions that are not subject to US sanctions).

View

We are positive on VBL 's structural consumption growth story and expect to continue its earnings growth momentum led by volume-driven operating leverage, strong franchise moat (PepsiCo partnership), increased penetration in newly acquired territories in India and Africa and continued expansion in capacity and distribution reach.

VBL, WEEKLY





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On the weekly chart, VBL has witnessed buying interest from the lower demand zone and is gradually gaining strength. On a week-on-week basis, the stock is up by +2.19% and is currently trading near the 460 mark.

Technically, the zone of 475–490 may act as an intermediate resistance band. However, a sustained weekly close above 460 would serve as an early confirmation of reversal. Notably, the 200-week SMA is placed near 422, further strengthening the broader demand zone.

With a favourable risk-reward setup, triple bottom formation and the stock rebounding from the multiple demand zone around 430, suggests the accumulation at lower levels.

We recommend adding long positions in the range of 455–450, with a stop loss below 425, for an upside target of 520 over a time horizon of 6–8 months.

Nifty	25,724.00
BSE Code	540180
NSE Symbol	VBL
Industry	Other Beverages.
Market Cap	1,55,576.34
Face Value	2
52 week High/Low	568.50 / 419.40

Weekly Moving Averages	
10 EMA	466
20 EMA	470
50 SMA	483
100 SMA	538
200 SMA	423

Particulars	
Promoters & Promoter Group	59.44
FPIs	21.93
MFs/Insti	11.79
Public	5.42
Others	1.42



Research Desk

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